



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING
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NASHVILLE, TENNESSEE 37243-1403

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BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

July 27, 2018

Lisa Cobb, Chairman of the Board
TNKIDS Nutrition, Incorporated
1006 Pepper Street
Springfield, Tennessee 37172-3146

Dear Ms. Cobb,

The Department of Human Services (DHS) - Division of Audit Services staff conducted an unannounced on-site monitoring review of the Child and Adult Care Food Program (CACFP) at TNKIDS Nutrition, Inc. (Sponsor), Application Agreement number 00-075, on July 5, 2018. The purpose of this review was to determine if the Sponsor complied with the *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, provider agreement, and applicable Federal and State regulations.

Our review of the Sponsor's records for March 2018 disclosed no deficiencies.

Technical Assistance Provided

Technical assistance was neither requested nor provided.

We appreciate the assistance provided during this review. If you have any questions regarding this report, please contact Sean Baker, Audit Director 2, at 615-313-4727 or Sean.Baker@tn.gov.

Sincerely,



Sam O. Alzoubi, CFE
Director of Audit Services

cc: Donny King, Executive Director, TNKIDS Nutrition, Inc.
Allette Vayda, Director, Child and Adult Care Food Programs
Debra Pasta, Program Manager, Child and Adult Care Food Program
Elke Moore, Administrative Services Assistant 3, Child and Adult Care Food Program
Constance Moore, Program Specialist, Child and Adult Care Food Program
Marty Widner, Program Specialist, Child and Adult Care Food Program
Comptroller of the Treasury, State of Tennessee

Exhibit A

Sponsor of At-Risk Afterschool Meals Program Data

Sponsor: TNKIDS Nutrition, Inc.
Review Month/Year: March 2018 Total
Reimbursement: \$5,363.44

Program Area	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	20	20
Number of Sites	9	9
Total Attendance	5,905	5,905
Number of Breakfasts Served	192	192
Number of Supplements Served	5,713	5,713
Total Amount of Food Costs	XXXXXXXX	\$8,077.11
Total Amount of Eligible Food and Nonfood Costs	XXXXXXXX	\$22,087.55

Exhibit B

At-Risk Afterschool Site Data Site: Crestview Elementary

Program Area	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	20	20
Total Attendance	1,404	1,404
Number of Breakfasts Served	94	94
Number of Supplements Served	1,392	1,392

EXHIBIT C

At-Risk Afterschool Site Data Site: Stokes Brown Library

Program Area	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	20	20
Total Attendance	408	408
Number of Supplements Served	408	408

EXHIBIT D

Verification of CACFP Claim for Home Sponsor

Sponsor: TNKIDS Nutrition, Inc.

Review Month/Year: March 2018

Total Amount Paid to Sponsor for Reported Meals: \$ 12,996.10

Total Amount Paid by Sponsor to Homes for Meals: \$12,996.10

Total Sponsor Admin Paid: \$1,824.00

Total Sponsor Admin Due Based on Number of Homes: \$1,824.00

Total Admin Expenses verified for the Review Month: \$1,483.08

Program Area	Reported on Claim	Reconciled to Documentation
Total Number of Tier 1 Homes	16	16
Total Tier 1 Attendance	131	131
Number of Tier 1 Breakfasts Served	1,699	1,699
Number of Tier 1 Lunches Served	1,630	1,630
Number of Tier 1 Suppers Served	1,974	1,974
Number of Tier 1 Supplements Served	2,607	2,607

EXHIBIT E

Individual Home Review Data

Name of Home/Tier Type: Emily Fendley Sponsor

**Reimbursement Paid to the Home: \$309.14 Reimbursement
due based on Reported Information: \$309.14 Reimbursement
due based on Verified Information: \$309.14**

Program Area	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	14	14
Total Tier 1 Attendance	98	98
Number of Tier 1 Breakfasts Served	90	90
Number of Tier 1 Lunches Served	54	54
Number of Tier 1 Supplements Served	80	80

EXHIBIT F

Individual Home Review Data

Name of Home/Tier Type: Tinitra Kelly Sponsor

**Reimbursement Paid to the Home: \$763.47 Reimbursement
due based on Reported Information: \$763.47 Reimbursement
due based on Verified Information: \$763.47**

Program Area	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	29	29
Total Tier 1 Attendance	162	162
Number of Tier 1 Breakfasts Served	73	73
Number of Tier 1 Lunches Served	64	64
Number of Tier 1 Suppers Served	160	160
Number of Tier 1 Supplements Served	160	160

EXHIBIT G

Individual Home Review Data

Name of Home/Tier Type: Lisa Solt Sponsor Reimbursement
Paid to the Home: \$564.85 Reimbursement due based on
Reported Information: \$564.85 Reimbursement due based on
Verified Information: \$564.85

Program Area	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	20	20
Total Tier 1 Attendance	113	113
Number of Tier 1 Breakfasts Served	64	64
Number of Tier 1 Lunch Served	113	113
Number of Tier 1 Suppers Served	49	49
Number of Tier 1 Supplements Served	113	113

APPEAL PROCEDURES FOR CHILD AND ADULT CARE INSTITUTIONS AND SPONSORING AGENCIES

Appeal Procedures

1. Pursuant to 7 CFR §226.6(k)(4), the TN Department of Human Services (TDHS) must provide administrative review procedures to institutions and responsible principals and responsible individuals as follows:

- (a) Annually to all institutions;
- (b) To an institution and to each responsible principal and responsible individual when the State agency takes any action subject to an administrative review as described in 7 CFR §226.6(k)(2); and
- (c) Any other time upon request.

2. Pursuant to 7 CFR 226.6(k)(3) and (k)(9), some administrative actions are not subject to administrative review. Those actions are listed in paragraph 2.(a). Other administrative actions may be administratively appealed. Those actions are listed in paragraph 2.(b) and (c). All institutions and sponsoring agencies may appeal any adverse administrative action listed in paragraph 2.(b) which are taken by the TDHS by requesting a fair hearing to appear in person to refute the action, or by requesting a review of written information in lieu of a fair hearing.

(a) Pursuant to 7 CFR Part 226.6 (k)(3) TDHS is prohibited from offering administrative reviews of the following actions:

- (i) FNS decisions on claim deadline exceptions and requests for upward adjustments to a claim.
- (ii) Determination of serious deficiency.
- (iii) State agency determination that corrective action is inadequate.
- (iv) Disqualification and placement on State agency list and National disqualified list.
- (v) Termination.
- (vi) State agency or FNS decision regarding removal from the National disqualified list.
- (vii) State agency's refusal to consider an application submitted by an institution or facility on the National disqualified list.

(b) Pursuant to 7 CFR Part 226.6(k)(9), an abbreviated appeal process is available for the following actions. TDHS must limit the administrative review to a review of written submissions by the TDHS and institutions or sponsoring agencies concerning the accuracy of the State agency's determination if the application was denied, or the State agency proposes to terminate the institution's agreement because:

- (viii) The information submitted on the application was false;
- (ix) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities is on the national disqualified list;
- (x) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities is ineligible to participate in any other publicly funded program by reason of violation of the requirements of the program;

- (xi) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities has been convicted for any activity that indicates a lack of business integrity;

(c) Administrative review is also available if the State agency notifies the institution and responsible principal or responsible individual of the following actions: proposed disqualification of a responsible principal or responsible individual, denial of a budget, denial of a line item within a budget, downward adjustment of the amount approved in a budget, suspension of an institution's participation, denial of start-up or expansion funds, denial of a request for advanced payment, recovery of an advance in excess of a claim, denial of a claim for reimbursement (except for late submission), decision not to forward an exception request for payment of a late claim, overpayment demand, denial of a new or renewing institution's application for participation, denial of sponsored facility application, notice of proposed termination, claim denial, claim deadline exceptions and requests for upward adjustments to a claim, or any other action affecting an institutions participation or claim for payment.

3. All appeal requests must be presented in writing to the TDHS Division of Appeals and Hearings not later than 15 calendar days after the date the institution or sponsoring agency receives the notice of adverse administrative action.

4. The date of an institution's or sponsoring agency's receipt of a notice of suspension and/or proposed termination and disqualification will be governed by the federal regulation at 7 CFR Part 226.2. The notice must specify the action being proposed or taken and the basis for the action, and is considered to be received by the institution or day care home when it is delivered, sent by facsimile, or sent by email. If the notice is undeliverable, it is considered to be received by the institution, responsible principal or responsible individual, or day care home five days after being sent to the addressee's last known mailing address, facsimile number, or email address.

5. The TDHS Division of Appeals and Hearings will acknowledge the receipt of the appeal request within 10 calendar days of the receipt of the institution's or sponsoring agency's request for review. The written request for review should state if a fair hearing is requested or if a review of written information in lieu of a fair hearing is requested. If the appeal request from the institution or sponsoring agency does not specifically request a hearing, a review of written information in lieu of a hearing will occur. If a fair hearing is requested and the institution or sponsoring agency's representative fails to appear, the right to a personal appearance is waived.

6. If an institution or sponsoring agency does not request a fair hearing or a review of written information in lieu of the hearing within 15 calendar days from the date the institution or sponsoring agency receives a Notice of Proposed Termination, the TDHS will issue a letter advising the institution or sponsoring agency that it is terminated from the CACFP effective on the 16th calendar day following the institution's or sponsoring agency's receipt of the notice, and that the responsible principals and individuals of the institution or sponsoring agency are disqualified from participation.

7. To be considered for a fair hearing or for a review of written information in lieu of a fair

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hearing, all written documents must be submitted to the TDHS Division of Appeals and Hearings not later than 30 days after receipt of the notice of adverse administrative action.

8. The action of the TDHS must remain in effect during the administrative review. The effect of this requirement on particular actions by TDHS is as follows:

(i) *Overpayment demand.* During the period of the administrative review, TDHS is prohibited from taking action to collect or offset the overpayment. However TDHS must assess interest beginning with the initial demand for remittance of the overpayment and continuing through the period of administrative review unless the administrative review official overturns the TDHS's action.

(ii) *Recovery of advances.* During the administrative review, TDHS must continue its efforts to recover advances in excess of the claim for reimbursement for the applicable period. The recovery may be through a demand for full repayment or an adjustment of subsequent payments.

(iii) *Program payments.* The availability of Program payments during an administrative review of the denial of a new institution's application, denial of a renewing institution's application, proposed termination of a participating institution's agreement, and suspension of an institution are addressed in paragraphs (c)(1)(iii)(D), (c)(2)(iii)(D), (c)(3)(iii)(D), (c)(5)(i)(D), and (c)(5)(ii)(E), respectively, of 7 CFR §226.6.

9. The institution or sponsoring agency must refute the charges contained in the notice during the fair hearing or in the written information that is provided in lieu of the hearing.

10. The institution and the responsible principals and responsible individuals may retain legal counsel, or may be represented by another person.

11. If a fair hearing is requested, the institution or sponsoring agency will be notified in writing of the time, date and place of the fair hearing at least 10 calendar days in advance.

12. Any information which supports an adverse administrative action taken by the TDHS shall be available to the institution or sponsoring agency for inspection from the date of the receipt of the request for a fair hearing or a review of written information in lieu of the hearing.

13. In accordance with 7 CFR Part 226.6 (k)(8), the TDHS Division of Appeals and Hearings must conduct the administrative review of the proposed disqualification of the responsible principals and responsible individuals as part of the administrative review of the application denial, proposed termination, and/or proposed disqualification of the institution with which the responsible principals or responsible individuals are associated. However, at the administrative review official's discretion, separate administrative reviews may be held if the institution does not request an administrative review or if either the institution or the responsible principal or responsible individual demonstrates that their interests conflict.

14. The procedures contained in the Uniform Administrative Procedures Act found at TCA 4-5-301 et seq. shall be followed in rendering a decision on all appeals. The decision of the hearing officer is the final administrative determination to be afforded to the institution or sponsoring agency, and shall be rendered in a timely manner not to exceed 60 calendar days from the date of the receipt of the request for a fair hearing.

15. The processing limits for administrative appeals MUST be met. In the event a continuance is requested by a party, one continuance may be granted at the Hearing Official's discretion. This

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continuance shall not be for a period longer than ten (10) calendar days unless there are exceptional circumstances. Exceptional circumstances must be detailed in the order of continuance and the order must contain a date certain for the hearing, to be set as soon as possible. A report of pending CACFP desk review and fair hearing requests will be generated and reviewed daily by the Clerk's Office and the Legal Director for Appeals and Hearings who will monitor the dates for timeliness. In the event a decision has not been rendered within forty-five (45) calendar days of the date of receipt of the request for fair hearing or desk review, the Legal Director for Appeals and Hearings or their back-up shall notify the hearing official to take appropriate action.

16. All requests for a fair hearing or for a review of written information in lieu of a hearing must be submitted to:

Tennessee Department of Human Services
Division of Appeals and Hearings
PO Box 198996, Clerk's Office
Nashville, TN 37219-8996
Fax: (615) 248-7013 or (866) 355-6136
E-mail: AppealsClerksOffice.DHS@tn.gov

17. If a termination action is upheld by the hearing officer, the TDHS will issue a letter to the institution or sponsoring agency and its responsible principals and individuals advising that the termination and disqualification are effective on the date of the ruling issued by the hearing officer. The agency maintains searchable records of all administrative reviews and their dispositions for a period of five (5) years.

18. As required by 7 CFR Part 226.6 (c)(7), each disqualified institution, sponsoring agency, principal and individual will be placed on the National Disqualified List maintained by the U.S. Department of Agriculture (USDA). Once included on the National Disqualified List, an institution, sponsoring agency, principal and individual shall remain on the list until such time as the USDA, in consultation with the TDHS, determines that the serious deficiencies that led to their placement on the list have been corrected, or until seven years have elapsed since they were disqualified from participation. However, if the institution, sponsoring agency, principal or individual has failed to repay debts owed under the program, they will remain on the list until the debt has been paid.